

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2244-02
Bill No.: Perfected HCS for HB 1048
Subject: Political Subdivisions; Contracts and Contractors
Type: Original
Date: April 27, 2015

Bill Summary: This proposal authorizes municipalities to use design build on water and wastewater projects and prohibits such projects from being denied grants based on design-build utilization.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume there will most likely be significant savings to the City, although the amount of savings cannot be determined at this time. By allowing municipalities to use the design-build procurement method for water department facilities, the City will be afforded the opportunity to consider the most efficient method for building a project. As a result, the City will most likely see increased funds in the City's capital account which may allow the flexibility to consider more innovative approaches in facility design and operation.

Officials at the **City of Jefferson** assume an unknown saving for the City but are unable to determine the exact savings amount.

Oversight assumes the local political subdivisions would not use specialty construction design unless it would either save money or provide some other benefit. Therefore, Oversight will assume the proposal could have a positive fiscal impact to local political subdivisions from this proposal and will range the fiscal impact from \$0 to an unknown amount of savings.

Officials at the **Department of Economic Development**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Office of Administration's Facilities Management, Design and Construction** and **Division of Purchasing and Materials Management** and the **Department of Natural Resources** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Columbia**, the **Callaway County Commission** and **St. Louis County** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at the **Platte County Board of Election Commission** assume no fiscal impact from this proposal.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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LOCAL POLITICAL SUBDIVISIONS

Savings - Local Political Subdivisions -
 from projects utilizing design build
 utilization

\$0 or Unknown \$0 or Unknown \$0 or Unknown

**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS** **\$0 or Unknown** **\$0 or Unknown** **\$0 or Unknown**

FISCAL IMPACT - Small Business

There could be a direct fiscal impact to small businesses as a result of this proposal.

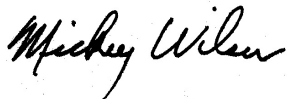
FISCAL DESCRIPTION

This bill authorizes any city to enter into a specialty construction design contract for a wastewater and water treatment project, and prohibits the Department of Natural Resources from precluding specialty construction design contracts for consideration for funding provided by the water and wastewater loan fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City
City of Jefferson
Department of Economic Development
Department of Insurance, Financial Institutions and Professional Registration
Office of Administration
 Facilities Management, Design and Construction
 Division of Purchasing and Materials Management
Department of Natural Resources
City of Columbia
Callaway County Commission
St. Louis County
Platte County Board of Election Commission



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April 27, 2015

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April 27, 2015